

INTERNAL REVENUE SERVICE
District Director

Department of the Treasury

[REDACTED]

Date: March 15, 1994

[REDACTED]

Employer Identification Number:
[REDACTED]

Person to Contact:
[REDACTED]

Telephone Number:
[REDACTED]

Refer Reply to:
[REDACTED]

Dear Applicant:

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code.

In a previous contact made with your organization, you were informed that it was our opinion that you did not qualify for exemption from Federal income tax as an organization described in section 501(c)(6) of the Code. We have previously informed you of your rights of appeal in this matter, and if you were in agreement with our conclusion, we requested that you execute an agreement Form 6018.

You have indicated your agreement to our conclusion that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(6) by executing and returning the Consent to Proposed Adverse Action Form 6018.

Accordingly, we conclude that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(6) of the Code and, furthermore, contributions made to you are not deductible by the donors for Federal income tax purposes.

Very truly yours,

District Director

INTERNAL REVENUE SERVICE
District Director

Department of the Treasury

[REDACTED]

Date: February 24, 1994

[REDACTED]

Person to Contact:

[REDACTED]

Telephone Number:

[REDACTED]

Due Date:
March 17, 1994

Dear Applicant:

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code.

In a contact made with [REDACTED] on this date, I informed [REDACTED] that it is our opinion that you do not qualify for exemption from income tax as an organization described in section 501(c)(6) of the Internal Revenue Code.

The facts submitted are: The purpose of your organization as stated in your By-Laws is "It is the purpose of [REDACTED] to foster the business growth, development and success of its members by each one providing a source of referrals, contacts, information and support."

Per your By Laws, your" Membership is selectively offered to businesses which have been approved by both the Board of Directors and by the members of the organization.

Membership is limited to a single reputable and ethical business from a particular category or classification. No new members will be allowed if the prospective member competes with an already existing member.

The Board will consider the prospective member for competitive conflicts with current members and will also consider the prospective members's integrity, reputation and whether the prospective member will contribute to the mission of the corporation. If the Board determines or becomes aware of a competitive conflict between a prospective member and a current member the Board will consult with the current member concerning the potential conflict. The existing member will have veto power to deny membership of the prospective member for the reason of a competitive conflict."

The activities of the organization consist of weekly meetings,

speakers; spotlighting members at meetings; members compile lists of businesses that would compliment his own endeavor and submit for potential members; each members takes at least 5 business cards of each member to hand out to customers who can use their services; you use only the services of your members whenever possible.

The organization's primary source of income will be from the membership dues contributed by its members

The facts submitted indicate that you are not organized and operated for any of the purposes described in section 501(c)(6) of the Internal Revenue Code, but for the private benefit of your members, namely to increase their business, sales, etc.

Enclosed is Form 6018 denying exemption as an organization described in section 501(c)(6) of the Code. Also enclosed is a copy of Publication 892 which gives your appeal rights. For your convenience I have also included a copy of Revenue ruling 59-391.

If you are in agreement with this letter, please sign and return the enclosed Form 6018. If you are not in agreement with this letter, please submit any information which you feel we have misunderstood or which you feel has not been submitted previously.

Please submit the information by the due date in the upper right hand corner of this letter. If we do not hear from you by that date, we will make our final determination based on the information submitted in your application.

Thank you for your cooperation.

Sincerely,

Enclosure:
Form 6018
Publication 892
Revenue Ruling 59-391